Health Care Financing

Medicare Enrollment Data for Health Planners

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Health Care Financing Administration

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The Health Care Financing Administration (HCFA) was established to combine health financing and quality assurance programs into a single agency. HCFA is responsible for the Medicare program, Federal participation in the Medicaid program, the Professional Standards Review Organization program, and a variety of other health care quality assurance programs.

The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 47 million of the nation's aged, disabled, and poor. The Agency must also ensure that program beneficiaries are aware of the services for which they are eligible, that those services are accessible and of high quality, and that Agency policies and actions promote efficiency and quality within the total health care delivery system.

HCFA's Office of Research, Demonstrations, and Statistics (ORDS) conducts studies and projects that demonstrate and evaluate optional reimbursement, coverage, eligibility, and management alternatives to the present Federal programs. ORDS also assesses the impact of HCFA programs on health care costs, program expenditures, beneficiary access to services, health care providers, and the health care industry. In addition, ORDS monitors national health care expenditures and prices and provides actuarial analyses on the costs of current HCFA programs as well as the impact of possible legislative or administrative changes in the programs.

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Prepared by James Lubitz

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Introduction[1]

The attached tables give counts by health service area of aged (65 years and over) and disabled Medicare beneficiaries enrolled as of July 1 of the reference year. For aged beneficiaries only, counts of beneficiaries by county are also provided. The data are derived from the health insurance master enrollment file of the Medicare Statistical System. This file contains demographic information, including age, sex, race, and place of residence, for each aged and disabled person enrolled for health insurance benefits. It also indicates whether the person is entitled to hospital insurance benefits, to supplementary medical insurance benefits, or to both. The tables were produced by the Health Care Financing Administration (HCFA). There are two sets of tables, one for aged beneficiaries and one for disabled beneficiaries.

Aged Beneficiaries

As of July 1, 1978, 24,370,986 million aged people, an estimated 95 to 98 percent of all persons aged 65 and over, were insured under one or both parts of Medicare. Of these, 23,143,964 million were enrolled for both the hospital insurance (HI) and the supplementary medical insurance (SMI) parts of the Medicare program; 840,093 million aged were enrolled only for HI benefits and 386,929 million only for SMI benefits. The overwhelming majority (97 percent) of HI beneficiaries is entitled to HI benefits because they are eligible for social security or railroad retirement benefits. Enrollment for SMI coverage is totally voluntary and requires the payment of a monthly premium. About 96 percent of HI beneficiaries also participate in SMI.

Disabled Beneficiaries

Social security disability beneficiaries became eligible for Medicare beginning in July 1973. Coverage is limited to persons under age 65 who have been entitled to cash benefits because of disability under the social security or railroad retirement programs for at least 24 consecutive months. There are three types of disability insurance beneficiaries entitled to Medicare:

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[1] This description of Medicare enrollment data is based on *Medicare Health Insurance for the Aged and Disabled, 1975, Section 2: Enrollment,* U.S. Health Care Financing Administration, Office of Policy, Planning and Research, Washington, D.C., 1978.

[2] For a detailed explanation of Social Security entitlement, see Chapters 2 and 5, *Social Security Handbook,* 6th Edition, U.S. DHEW, SSA, Publication No. (SSA) 77-10135R, July 1978.

- Disabled workers with sufficient quarters of coverage to be currently or fully insured under social security;[2]
- Persons disabled before age 22 who are dependents of retired or disabled social security beneficiaries or of deceased insured workers and
- Disabled widows or widowers, age 50 and over, of social security beneficiaries.

In addition, persons under age 65 with end-stage renal disease requiring dialysis or kidney transplantation are considered disabled and entitled to Medicare if they:

- are currently or fully insured,
- are entitled to monthly social security or railroad retirement benefits, or
- are spouses or dependent children of such insured or entitled persons.

On July 1, 1978, there were 2,793,206 million disability beneficiaries enrolled for Medicare. Of these, 2,276,913 were disabled workers, 387,503 were adults disabled as children, 110,497 were disabled widows and widowers, and 18,293 were beneficiaries with end-stage renal disease.

All disabled Medicare beneficiaries are enrolled for HI. About 91 percent of these individuals also have SMI coverage. Unlike the case with Medicare for the aged, there are no disabled beneficiaries enrolled for SMI only.

Description of the Tables

The tables display Medicare enrollment by age, sex, and race. The figures show the enrollment as of July 1 of the reference year. The choice of July 1 was based on the similarity of that date's enrollment to a 12-month average. For the aged there are four tables for each health service area for each year:

Table	Description
Hospital and/or Medical Insurance	Persons enrolled in the hospital insurance program (HI), the supplementary medical insurance program (SMI), or both.
Hospital Insurance (HI)	Persons enrolled in the HI program.
Medical Insurance (SMI)	Persons enrolled in the SMI program.
Hospital Insurance Beneficiaries by County	Persons enrolled in the HI program by county within health service areas.

[2] For a detailed explanation of Social Security entitlement, see Chapters 2 and 5, *Social Security Handbook,* 6th Edition, U.S. DHEW, SSA, Publication No. (SSA) 77-10135R, July 1978.

For the disabled there are two tables for each health service area:

Table	Description
Hospital Insurance (HI)	Persons enrolled in the HI program.
Medical Insurance (SMI)	Persons enrolled in the SMI program. (All disabled persons enrolled in SMI are also enrolled in HI.)

The stub headings "MSC 10 and 11" in the tables refer to Medicare beneficiary codes for beneficiaries aged 65 and over, while "MSC 20, 21, and 31" refer to disabled beneficiaries.

Health service areas in the tables are coded with the usual two-letter State abbreviation and a three-number service area code. (For example "FL008" refers to Health Service Area 8 in Florida.) Some health service areas contain parts of two States. In the "Directory: Health Systems Agencies, State Health Planning and Development Agencies and Statewide Health Coordinating Councils," issued by the Bureau of Health Planning, Health Resources Administration, these areas are assigned two codes, one for each State. In the enrollment tables, however, these areas are listed under only one code. Appendix A at the end of this paper shows how interstate health service areas are listed.

Whenever a county is split among two or more health service areas, data reflecting the entire county have been placed in one health service area because of data system constraints. Appendix A shows how codes have been assigned to split counties and certain other areas.

Appendix B at the end of the paper gives total 1978 aged and disabled enrollment for those States that have more than one health service area. Those beneficiaries for whom the State is known but the county of residence is not known are included in the "Unknown County" columns. For the States that include interstate health service areas, the enrollment totals in these tables include only residents of the State.

Limitations of Data

Some limitations of the data should be noted. First, temporary or permanent changes of address are incorporated into the health insurance master enrollment file as beneficiaries report them. Whenever a beneficiary delays or neglects to notify the Social Security Administration of an address change, the data will reflect the old address rather than the current address. Second, the beneficiary's place of residence is defined as the mailing address. In some cases this address may not be the actual place of residence. Third, as noted earlier, for some beneficiaries in States with more than one health service area, the health service area of

residence is unknown. In the county level enrollment tables, these persons are listed under the HSA area 99999 and "unknowns" county category. In no State was this group more than 0.2 percent of total State enrollment in 1978; in most States, the percent was much less. Fourth, for about three percent of the aged and two percent of the disabled beneficiaries there is no race designation on the file. This explains why the total of "white" and "other known" race categories in the tables does not equal the "all persons" total. Finally, since the data report the number of beneficiaries as of a set date, July 1, the large, seasonal influx of aged, temporary residents in some areas (such as Florida) may not be reflected in the tables.

Uses of the Data

Because nearly all persons 65 and over are enrolled in Medicare, Medicare enrollment data may help estimate the number of aged persons residing in a health service area. These data are useful in studying changes in the number and demographic characteristics of the elderly over time. The relation between counts of aged Medicare beneficiaries and the total number of persons 65 and over and the use of Medicare enrollment data to estimate the total number and demographic characteristics of the aged is discussed in a number of Census Bureau and other publications.[3] [4] [5] [6] (On the other hand, counts of disabled Medicare beneficiaries should not be used to estimate the total number of disabled persons in an area because the eligibility requirements for Medicare exclude a good number of disabled).

The Medicare enrollment data have other uses as well. They provide a base or denominator to use with other information to assess the accessibility and use of services by Medicare beneficiaries. For example, the number of hospitalizations for aged Medicare beneficiaries in an area may be used with counts of aged persons

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[3] U.S. Bureau of the Census, *Census of Population and Housing: 1970 Evaluation and Research Program PHC (E)-7,* "The Medicare Record Check: An Evaluation of the Coverage of Persons 65 Years of Age and Over in the 1970 Census," U.S. Government Printing Office, Washington, D.C., 1973.

[4] U.S. Bureau of the Census, *Census of Population and Housing: 1970 Evaluation and Research Program PHC (E)-4,* "Estimates of Coverage of Population by Sex, Race, and Age: Demographic Analyses," U.S. Government Printing Office, Washington, D.C., 1973.

[5] Donald G. Fowles, *The Elderly Population: Estimates by County 1976,* U.S. Department of Health, Education, and Welfare, Administration on Aging, DHEW Publication No. (OHDS) 78-202048.

[6] Richard Irwin, Population Division, U.S. Bureau of the Census, "Aggregate Medicare Enrollment by Age, Sex, and Race as a Resource in Analyzing Demographic Change for Local Areas," presented at the National Bureau of Economic Research Workshop on Policy Analysis with Social Security Research Files, Williamsburg, Virginia, March, 1978.

enrolled for Medicare hospital insurance benefits to produce rates of hospital use. To give another example, the number and characteristics of Medicare beneficiaries and the number of physicians who accept assignment of Medicare benefits might be analyzed to evaluate the adequacy of Medicare benefit assignment practices in an area.

Additional Information

A fuller description of Medicare enrollment data, a discussion of trends in enrollment, and enrollment figures for the nation by State and by Standard Metropolitan Statistical Area (SMSA) are contained in the publication, *Medicare: Health Insurance for the Aged and Disabled, 1975,* available from ORDS Publications, Room 1-E-9, Oak Meadows Building, 6340 Security Boulevard, Baltimore, Maryland 21207.

Appendix A

Health Service Area Redesignations

The health service area designations employed in this report are not always the official ones. The codes used in this report were designated by the Bureau of Health Planning to allow statistics for health service areas to be displayed using county-based data systems (such as the Medicare Statistical System). There are 205 areas resulting from these redesignations. This set of health service area codes is referred to as "data-oriented" health service areas.

SPLIT COUNTIES

In the data-oriented scheme, whenever a county is split among two or more health service areas, data for the entire county are placed in one area. The following list shows how areas with part of a county are defined:

Health Service Area Codes	Counties Included in Data-Oriented Health Service Area
AK 1	All divisions in Alaska are included.
AK 2	Area not defined.
AK 3	Area not defined.
AZ 1	Gila, Maricopa, Pinal
AZ 2	Cochise, Graham, Greenlee, Pima, Santa Cruz
AZ 3	Apache, Cochino, Navajo, Yavapai
AZ 4	Area not defined.
CT 1	Fairfield
CT 2	New Haven
CT 3	Middlesex, New London, Windham
CT 4	Hartford, Tolland
CT 5	Litchfield
IL 6	Area not defined; Chicago is included in Cook.
IL 7	Cook, Dupage
MA 1	Berkshire, Franklin, Hampden, Hampshire
MA 2	Worcester
MA 3	Essex, Middlesex
MA 4	Norfolk, Suffolk
MA 5	Barnstable, Bristol, Dukes, Nantucket, Plymouth
MA 6	Area is not defined; all of Essex and Middlesex Counties are included in MA 003.
NM 1	All counties in New Mexico
UT 1	All counties in Utah

INTERSTATE HEALTH SERVICE AREAS

Health service areas that contain parts of two States are assigned two codes, one for each State. In the data-oriented scheme, however, such areas are listed under only one code. The following list shows how interstate health service areas are designated:

Official Area Codes	Data-Oriented Health Service Area Codes
GA 1, TN 3	TN 3
GA 4, SC 5	GA 4
GA 5, AL 7	GA 5
IA 1, NE 4	IA 1
NE 3, IA 2	NE 3
IA 3, IL 10	IA 3
OH 1, KY 3	OH 1
ND 2, MN 1	ND 2
WI 7, MN 2	MN 2
ND 3, MN 3	ND 3
MO 1, KS 4	MO 1
MO 3, IL 11	MO 3
NY 4, PA 8	NY 4
TN 1, VA 6	TN 1
AZ 4, NM 2, UT 2	Area is not defined.

WHOLE STATE HEALTH SERVICE AREAS

Those areas exempt from designating health service areas are included as whole State health service areas in the data-oriented scheme:

RI 1	Rhode Island
DC 1	District of Columbia
HI 1	Hawaii
PR 1	Puerto Rico

Appendix B

Multi-HSA States: Persons 65 Years and Over Enrolled as of July 1, 1978, by Type of Coverage and State

State	Total			Unknown County		
	HI and/or SMI	HI	SMI	HI and/or SMI	HI	SMI
Alabama[1]	407,785	395,844	396,754	103	103	101
Arizona	263,563	260,515	255,863	327	326	320
Arkansas	290,365	283,872	283,475	157	157	155
California	2,223,932	2,180,066	2,176,430	830	827	806
Colorado	231,546	227,939	224,763	202	202	192
Connecticut	344,406	341,004	338,778	84	84	82
Florida	1,447,337	1,418,305	1,420,230	736	736	719
Georgia[1]	469,583	455,586	457,735	243	243	237
Illinois[1]	1,201,372	1,185,735	1,174,077	309	309	302
Indiana	558,167	554,992	545,756	148	148	145
Iowa[1]	378,891	376,420	372,547	65	65	64
Kansas[1]	290,732	204,280	290,588	101	101	98
Kentucky[1]	388,714	379,391	380,509	163	163	160
Louisiana	366,402	361,050	342,542	106	105	101
Maryland	360,675	353,235	347,514	201	200	199

[1]Health service area crosses State boundaries. Therefore, State total will not equal the sum of the health service areas for the State.

(continued)

Multi-HSA States: Persons 65 Years and Over Enrolled as of July 1, 1978, by Type of Coverage and State

State	Total			Unknown County		
	HI and/or SMI	HI	SMI	HI and/or SMI	HI	SMI
Massachusetts	694,554	684,768	680,204	233	233	224
Michigan	874,126	865,462	859,278	246	246	236
Minnesota[1]	463,836	459,854	456,262	165	165	165
Missouri[1]	623,494	615,964	608,339	292	292	284
Nebraska[1]	201,123	199,684	197,260	34	34	33
Nevada	55,755	55,025	54,051	122	122	118
New Jersey	815,349	805,011	802,234	309	308	307
New York[1]	2,089,419	2,053,432	2,043,363	665	663	649
North Carolina	548,037	537,460	535,533	135	135	129
North Dakota[1]	78,957	78,106	77,207	61	61	59
Ohio[1]	1,117,861	1,100,858	1,087,612	285	285	281
Oregon	282,216	281,215	272,754	156	156	154
Pennsylvania[1]	1,453,966	1,438,142	1,420,883	514	514	505
South Carolina	259,116	252,055	250,727	85	84	85
Tennessee[1]	478,463	467,480	468,141	118	118	114
Texas	1,251,129	1,224,321	1,224,627	610	609	597
Virginia[1]	462,140	453,380	445,108	354	354	338
Washington	399,512	395,676	389,519	215	214	208
Wisconsin	545,305	541,236	537,876	155	155	155

[1] Health service area crosses State boundaries. Therefore, State total will not equal the sum of the health service areas for the State.

Multi-HSA States: Disability Beneficiaries Enrolled as of July 1, 1978, by Type of Coverage and State

State	Total		Unknown County	
	HI	SMI	HI	SMI
Alabama[1]	59,194	55,981	19	18
Arizona	30,008	27,316	33	30
Arkansas	42,836	39,937	27	20
California	272,320	258,340	93	86
Colorado	22,576	20,403	18	16
Connecticut	29,999	27,219	8	8
Florida	130,546	121,106	60	55
Georgia[1]	81,900	77,595	42	38
Illinois[1]	109,754	101,535	38	32
Indiana	60,586	55,755	19	15
Iowa[1]	28,663	26,505	8	8
Kansas[1]	20,824	19,162	18	14
Kentucky[1]	57,882	54,186	37	32
Louisiana	59,307	53,221	24	23
Maryland	37,988	34,566	30	28
Massachusetts	61,118	55,629	37	35
Michigan	115,845	107,070	39	37
Minnesota[1]	33,834	31,608	17	15
Missouri[1]	63,805	59,186	37	28
Nebraska[1]	13,225	11,865	4	3
Nevada	7,348	6,808	19	16
New Jersey	86,651	81,511	43	37
New York[1]	221,401	204,293	89	84
North Carolina	84,810	79,596	25	23
North Dakota[1]	5,677	5,140	14	13
Ohio[1]	135,017	123,794	46	41
Oregon	30,746	27,051	22	20
Pennsylvania[1]	155,462	144,258	83	73
South Carolina	46,902	43,974	9	7
Tennessee[1]	71,089	67,289	26	24
Texas	131,308	122,447	64	53
Virginia[1]	62,535	57,724	57	53
Washington	42,105	38,607	22	19
Wisconsin	47,998	44,774	20	18

[1]Health service area crosses State boundaries. Therefore, State total will not equal the sum of the health service areas for the State.

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